



**U.S. Department of the Interior  
Office of Inspector General**

# **EVALUATION REPORT**

**SELECTED TELECOMMUNICATIONS CHARGES,  
DEPARTMENT OF THE INTERIOR**

**REPORT NO. 98-I-648  
SEPTEMBER 1998**



# United States Department of the Interior

I-IN-MOA-003-98

OFFICE OF INSPECTOR GENERAL  
Washington, D.C. 20240

SEP 10 1998

## EVALUATION REPORT

### Memorandum

To: Assistant Secretary for Policy, Management and Budget

From: Robert J. Williams *Robert J. Williams*  
Assistant Inspector General for Audits

Subject: Evaluation Report on Selected Telecommunications Charges, Department of the Interior (**No.** 98-I-648)

## INTRODUCTION

This report presents the results of our evaluation of local telephone directory assistance charges in the Department of the Interior. The objective of the evaluation was to determine the feasibility of eliminating local directory assistance and other telephone services, such as weather and time reporting, to reduce Departmental telecommunications costs.

## BACKGROUND

As defined, telecommunications services include the electronic transmission of information of any type, such as data, sound, video, and facsimile.<sup>1</sup> To carry out its telecommunications mission, the Department of the Interior expended more than \$62 million in fiscal year 1995 on telecommunications resources that provide a wide array of voice, data, radio, and video services to its employees. Telecommunications services, including local telephone directory assistance, are acquired under the General Services Administration's Federal Telecommunications System contract and from local and long-distance telephone companies serving Departmental offices nationwide. Local telephone directory assistance is provided by telephone companies to customers to enable them to obtain telephone numbers electronically. The charges for this service can range from \$.25 to \$1 .00 per call depending on the geographical area and the telephone company from which the call is initiated.

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<sup>1</sup>The American Heritage Dictionary, Second Edition.

## **SCOPE OF EVALUATION**

This evaluation was conducted from December 1997 through March 1998 by contacts with individuals at selected Departmental offices and bureaus (see Appendix 2) and at telephone company offices nationwide. As part of the evaluation, we reviewed Departmental and telephone company documents and records pertaining to local telephone directory assistance charges for calendar year 1997 and interviewed Departmental personnel in regard to their directory assistance use.

This evaluation was conducted in accordance with the "Quality Standards for Inspections," issued by the President's Council on Integrity and Efficiency, and accordingly included such tests and evaluation procedures that we considered necessary under the circumstances. We also reviewed the Departmental Report on Accountability for fiscal year 1996, which includes information required by the Federal Managers' Financial Integrity Act, and determined that no material weaknesses were included in the report that directly related to the objective and scope of our evaluation. Because of the limited scope and objective of our review, internal controls were reviewed only to the extent that they related to the use of local telephone directory assistance.

## **PRIOR AUDIT COVERAGE**

Neither the Office of Inspector General nor the General Accounting Office has issued any reports during the past 5 years that addressed charges to the Department of the Interior for the use of local telephone directory assistance.

## **RESULTS OF EVALUATION**

We found that the Department of the Interior did not incur any costs for telephone services related to weather and time reporting but did incur costs for local telephone directory assistance. Local telephone directory assistance was available to employees because telephone companies automatically provided the service. However, Departmental bureaus and offices had not performed a cost-benefit analysis of this service, and the Department did not know the full cost of providing this service. We estimated that the Department expended at least \$46,300 during calendar year 1997 to provide local telephone directory assistance to the offices reviewed.

We found that local telephone directory assistance costs were not centrally accumulated by the Department or by the telephone companies we contacted and that the Department did not track or account for these costs separately from other telecommunications costs. As such, we identified and estimated the costs related to local telephone directory assistance by focusing on the offices that had the largest numbers of employees. Using this approach, we

identified directory assistance costs of \$46,300 that the Department incurred in calendar year 1997 as follows:

<u>Bureaus</u>	<u>Costs</u>
National Park Service	\$15,037
U.S. Geological Survey	10,777
Office of the Secretary	8,151
Bureau of Land Management	3,778
Bureau of Reclamation	2,298
U.S. Fish and Wildlife Service	2,572
Bureau of Indian Affairs	1,465
Office of Surface Mining	1,152
Minerals Management Service	<u>1,084</u>
Total	<u>\$46,314</u>

These costs were calculated by obtaining telephone account information for the offices listed and the related local directory assistance costs from Bell Atlantic, Bell South, Pacific Bell, Sprint, and U.S. West for calendar year 1997. We also obtained costs from the Departmental bureaus and offices and the General Services Administration.

Because the Department has more than 2,000 locations that use hundreds of telephone accounts nationwide and over 67,000 employees, we believe that the annual cost of directory assistance was significantly higher than \$46,300. We contacted bureau and office management to discuss whether local telephone directory assistance costs had been analyzed and whether analyses were performed to determine whether the service was needed to perform mission-related work. Bureau telecommunications managers said that they were generally unaware of the amount of funds that were expended for the service. They also said that they were aware that employees were using local directory assistance but had not conducted a cost-benefit analysis because summary data were not available and telephone billing data for these costs were decentralized to field offices.

We found that there were alternatives to using local telephone directory assistance which were available to employees at no additional cost, such as obtaining numbers from the local telephone directory, Federal Department locator services, and the Internet. Specifically, each year the telephone companies provided the number of telephone directories requested by Departmental offices. These directories included blue pages, which listed Government agencies; yellow pages, which listed businesses; and white pages, which listed individuals. Also, according to General Services Administration officials, most Governmental entities, including the Department of the Interior, have telephone employee locator services to assist callers in obtaining telephone numbers of offices and individuals within Federal agencies. Furthermore, employees can obtain telephone numbers and addresses at no additional cost through the Department's access to the Internet.

As part of our review, we also conducted a telephone survey of 45 randomly selected employees of the Departmental bureaus and offices nationwide to obtain information concerning their use of local telephone directory assistance. Of the 45 responses we received, we found that 37 employees received local telephone directories annually, 39 employees had access to a local telephone directory, 43 employees had access to the Internet, 30 employees had knowledge of the telephone directory on the Internet, and 35 employees said that their official duties would not be affected if local directory assistance was eliminated.

Based on our evaluation, we concluded that the elimination of local telephone directory assistance would save at least \$46,300 per year. However, before the Department determines whether to eliminate local telephone directory assistance, we believe that it should consider the total costs and benefits of the service as part of its telecommunications survey, which is planned for fiscal year 1998.

## **Recommendation**

We recommend that the Assistant Secretary for Policy, Management and Budget determine whether providing local telephone directory assistance is cost effective and efficient after considering the total annual cost and any benefits of the service. If it is determined not to be cost effective and efficient, local telephone directory assistance should be discontinued.

## **Office of the Secretary Response and Office of Inspector General Reply**

In the July 15, 1998, response (Appendix 3) from the Chief Information Officer, Office of the Secretary, to our draft report, the Officer stated, "Through extrapolation, we can conclude that nationwide directory assistance charges may be as high as \$150,000." The Officer also stated that "there were no instances of employee directory assistance misuse cited in the report" and that "the benefit of having convenient access to needed telephone numbers is inherent in providing quality telephone service to our employees." Further, the Officer stated that "eliminating local directory assistance may not be worth pursuing in light of other initiatives where significant cost reductions can be achieved, such as consolidating and optimizing FTS2000 services, eliminating redundancies and unused telephone lines, and implementing shared services." However, the Officer said that the Office would "provide guidance and notifications to employees that directory assistance calls can be costly and should be placed only when other means are not available or practical."

We consider the Officer's action to "provide guidance and notification to employees" regarding the expense of directory assistance calls to be sufficient to address our recommendation. However, the information requested in Appendix 4 should be provided.

We appreciate the assistance of Office of the Secretary and bureau personnel in the conduct of our evaluation.

cc: Solicitor

Assistant Secretary for Fish and Wildlife and Parks  
Assistant Secretary for Indian Affairs  
Assistant Secretary for Land and Minerals Management  
Assistant Secretary for Water and Science  
Chief Information Officer, Office of Information Resources Management  
Director, National Park Service  
Director, U.S. Fish and Wildlife Service  
Deputy Commissioner, Bureau of Indian Affairs  
Director, Bureau of Land Management  
Director, Minerals Management Service  
Director, U.S. Geological Survey  
Director, Office of Surface Mining Reclamation and Enforcement  
Commissioner, Bureau of Reclamation  
Focus Leader for Management Control and Audit Followup  
Audit Liaison Officer, Office of the Solicitor  
Audit Liaison Officer, Policy, Management and Budget  
Audit Liaison Officer, Fish and Wildlife and Parks  
Audit Liaison Officer, Indian Affairs  
Audit Liaison Officer, Land and Minerals Management  
Audit Liaison Officer, Water and Science  
Audit Liaison Officer, National Park Service  
Audit Liaison Officer, U.S. Fish and Wildlife Service  
Audit Liaison Officer, Bureau of Indian Affairs  
Audit Liaison Officer, Bureau of Land Management  
Audit Liaison Officer, Minerals Management Service  
Audit Liaison Officer, U.S. Geological Survey  
Audit Liaison Officer, Office of Surface Mining Reclamation and Enforcement  
Audit Liaison Officer, Bureau of Reclamation

**CLASSIFICATION OF MONETARY AMOUNTS**

<u>Finding Area</u>	<u>Funds To Be Put To Better Use</u>
Cost of Local Directory Assistance Service	\$46,300

## OFFICES CONTACTED

OFFICE	LOCATION
<b>Office of the Secretary</b> Communications and Information Systems and Services	Washington, D.C.
<b>U.S. Fish and Wildlife Service</b> Information Resources Management, Headquarters Office Information Resources Management, Region One Contracting & General Services, Region Two Contracting & General Services, Region Three Contracting & General Services, Region Five Contracting & General Services, Region Six Contracting & General Services, Region Seven Automated Data Processing Division, Region Four	Arlington, Virginia Portland, Oregon Albuquerque, New Mexico Twin Cities, Minneapolis Hadley, Massachusetts Lakewood, Colorado Anchorage, Alaska Atlanta, Georgia
<b>U.S. Geological Survey</b> Office of Information <b>Service</b> and Telecommunications Services Western Region Headquarters, Branch of Information Services Water Resources Division, District Office Water Resources Division, District Office, Administrative Services Water Resources Division, District Office, Administrative Services Water Resources Division, District Office, Administrative Division Water Resources Division, Sub-District Office, Administration Water Resources Division, Woods Hole Field Center Earth Resources Observation Systems Data Center, Program Budget & Administration	Reston, Virginia  Menlo Park, California Albuquerque, New Mexico Sacramento, California Raleigh, North Carolina Baltimore, Maryland Tampa, Florida Woods Hole, Massachusetts  Sioux Falls, South Dakota
<b>Office of Surface Mining Reclamation and Enforcement</b> Office of Administrative Operations Western Regional Coordinating Center Division of Office Technology Transfer & Administrative Support Appalachian Regional Coordinating Center Division of Administrative Services Knoxville Field Office, Program Support Group	Washington, D.C.  Denver, Colorado  Pittsburgh, Pennsylvania Knoxville, Tennessee
<b>Bureau of Land Management</b> Information Resources Management Arizona State Office California State Office Colorado State Office Eastern States Office	Washington, D.C. Phoenix, Arizona Sacramento, California Lakewood, Colorado Springfield, Virginia



Montana State Office  
 New Mexico State Office  
 Oregon State Office  
 Wyoming State Office  
 Idaho State Office  
 Nevada State Office  
 Alaska State Office  
 National Business Center

Billings, Montana  
 Sante Fe, New Mexico  
 Portland, Oregon  
 Cheyenne, Wyoming  
 Boise, Idaho  
 Reno, Nevada  
 Anchorage, Alaska  
 Denver, Colorado

#### **Bureau of Indian Affairs**

Eastern Area Office  
 Albuquerque Area Office, Administrative Services  
 Phoenix Area Office, Property Management  
 Billings Area Office, Acquisition & Property Management  
 Portland Area Office, Property Management  
 Division of Accounting Management, Government Unit  
 Division of Property Management

Arlington, Virginia  
 Albuquerque, New Mexico  
 Phoenix, Arizona  
 Billings, Montana  
 Portland, Oregon  
 Albuquerque, New Mexico  
 Washington, D.C.

#### **Bureau of Reclamation**

Administrative Support Group  
 Lower Colorado Region  
 Pacific Northwest Region, Information  
 Resources Management Group  
 Mid- Pacific Region, Information Technology Services  
 Upper Colorado Region, Property & Services Management  
 Great Plains Region, **Information** Technology Group  
 Reclamation Service Center, Finance & Accounting

Washington, D.C.  
 Boulder City, Nevada

Boise, Idaho  
 Sacramento, California  
 Salt Lake City, Utah  
**Billings**, Montana  
 Denver, Colorado

#### **Minerals Management Service**

Procurement & Support Services Division  
 Houston Compliance Division  
 Dallas Compliance Division  
 Southern Administrative Service Center  
 Western Administrative Service Center  
     California Administrative Satellite Office  
     Alaska Administrative Satellite Office

**Herndon**, Virginia  
 Houston, Texas  
 Dallas, Texas  
 New Orleans, Louisiana  
 Denver, Colorado  
 Camarillo, California  
 Anchorage, Alaska

#### **National Park Service**

Information & Telecommunications Center  
 Inter-mountain Region, Administrative Program Center  
 Midwest Region, Information Systems & Technology  
 Southeast Region, Contracting & Property Management  
 Harpers Ferry Center, Office of Support Services  
     Pacific Great Basin Support Office  
     Boston Support Office  
     Columbia Cascades Support Office  
     Philadelphia Support Office

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 Omaha, Nebraska  
 Atlanta, Georgia  
 Harpers Ferry, West Virginia  
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# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

JUL 15 1998

## MEMORANDUM

To: Ronald K. Stith  
Acting Assistant Inspector **General** for Audits

From: Daryl W. White   
Chief Information Officer

Subject: Draft Evaluation Report on Selected Telecommunications Charges

The **draft** evaluation report recommends that the Assistant Secretary - Policy, Management and Budget conduct a cost-benefit analysis to determine whether it is cost effective and **efficient** to continue providing local telephone directory assistance to employees. This recommendation is based on a finding that **nearly** \$50,000 was expended within the Department in calendar year 1997 to provide local telephone directory assistance. The report identified alternatives which employees could use to obtain telephone numbers at no direct cost. These included the use of telephone directories, agency locator services, and the Internet.

The reported **\$46,314** cost of directory assistance services was identified by tallying costs at locations where 20,871 employees work. Through extrapolation, we can conclude **that** nationwide directory assistance charges may be as high as \$150,000. While I agree these costs could be reduced if access to directory assistance was controlled or eliminated, I do not believe a cost-benefit analysis is the answer. There were no instances of employee directory assistance misuse cited in the report and our employees apparently do not access weather or time reports on the **telephone**.

The benefit of having convenient access to needed telephone numbers is inherent in providing quality telephone service to our employees. The cost of providing directory assistance is a necessary cost of doing business. In spending more than \$60 million annually for telecommunications services it is important for us to concentrate our attention on savings opportunities with the greatest potential benefit. Studying the cost-benefits of inconveniencing our employees by eliminating **local** directory assistance may not be worth pursuing in light of other initiatives where significant cost reductions can be achieved, such as consolidating and optimizing FTS2000 services, eliminating redundancies and unused telephone lines, **and** implementing shared services.

In response to your report, we will provide guidance and notifications to employees that directory assistance calls can be costly and **should** be placed only when other means **are** not **available** or practical.

**STATUS OF AUDIT REPORT RECOMMENDATION**

Finding/ Recommendation Reference	Status	Action Reauired
1	Management concurs; additional information needed.	Provide a target date and the title of the official responsible for providing the guidance and notification to employees.

**ILLEGAL OR WASTEFUL ACTIVITIES  
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